

R E M A R K S

A. INTRODUCTION

Claims 1-14 were pending.

Claims 4, 5, and 8 were withdrawn.

Claims 1-3, 6, 7, and 9-14 are rejected.

Upon entry of this amendment, Claims 1-3, 6, 7, and 9-26 will be pending, and Claims 4, 5, and 8 will be cancelled. Claims 15-26 will be added. Claims 1, 6, and 7 are the only independent claims.

B. REQUEST FOR CONTINUED EXAMINATION (RCE)

This paper is being filed in response to an Office Action mailed July 19, 2005 and after a Notice of Appeal. Although Applicants believe that no prima facie case of unpatentability has been made for any pending claim, for business reasons Applicants have at this time opted to advance prosecution with this Amendment & Response rather than pursue an appeal. A Request for Continued Examination (RCE), along with the appropriate fee, is being filed concurrently to ensure consideration of these remarks.

C. OBJECTION TO CLAIMS 6 AND 7

We agree with the Examiner that Claims 6 and 7 are not dependent claims—they were never intended to be. We submit that Claims 6 and 7 are proper independent claims that reference, for convenience, the content of another independent claim (Claim 1). We respectfully request the Examiner withdraw the objection to Claims 6 and 7.

D. SECTION 101 REJECTION

Claims 1-3 and 9-14 (all of the method claims) are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. [Office Action, page 2].

We traverse the Section 101 rejections. The Examiner relies upon a “technological arts” standard that was expressly invalidated by the Board of Patent Appeals and Interferences after the mailing of the Office Action. See Ex parte Lundgren (BPAI 2005). We respectfully request that the Examiner withdraw the Section 101 rejections.

We further respectfully submit that all of the pending claims (Claims 9-14) are directed to statutory subject matter, and that each claim is directed to a practical application (i.e. produces a useful, concrete and tangible result).

E. SECTION 102(B) REJECTION

Claims 1, 2, 6, 7, 12, 13 and 14 stand rejected under 35 U.S.C. 102(b) as being anticipated by Katz (U.S. Patent No. 6,055,513). We respectfully traverse the Examiner's Section 102(b) rejections.

1. Independent Claims 1, 6, and 7

We respectfully submit that Claims 1, 6, and 7 are not anticipated by Katz. Katz does not teach or suggest all of the features of the independent claims.

The Examiner asserts:

Katz teaches the system (upsell) including a decisional bases such as expert system, fuzzy logic, neural networks, adaptive system or other decisional systems known to the art and which effectuate the desired functionalities of the invention (see col. 20 lines 23-62).

[Office Action, page 7].

We submit, however, that the Examiner has not attempted to explain how this statement in Katz teaches or suggests a genetic program or a genetic algorithm, or remotely suggests how an offer could be determined based on order information and at least one of a genetic program and a genetic algorithm. "expert system," "fuzzy cluster analysis," and "neural network," although each may be useful with respect to particular embodiments, are all described in our Specification as differing from genetic algorithms or genetic programs. See, e.g., Appendix B, page 64, lines 7-10; page 83, line 17 to page 87, line 33. It is not clear whether "adaptive system" would have been understood as describing genetic programs or genetic algorithms. The Examiner does not assert it would have and in any case does not offer any evidence that "adaptive system" would have been understood by one of ordinary skill in the art as describing genetic programs or genetic algorithms.

As discussed in the present application, genetic algorithms are based on the concept of natural selection, and start with a random population of solutions to a given problem. A genetic program is a technique for automatically creating computer programs to solve problems. Katz does not appear to suggest use of genetic programs or genetic algorithms to select or to create offers. Accordingly, Katz does not teach or suggest all of the features of any of independent Claims 1, 6, or 7.

Katz generally describes basing an offer of an upsell upon prior successful upsells (Column 24, lines 4-11), such as for offering a product Y to a customer of the same class as a previous customer who accepted product Y. Katz, however, does not appear to suggest using genetic programs or genetic algorithms to select

offers in the first place (e.g., to determine to offer product Y), or using genetic programs or genetic algorithms to select the best and most fit offers from a population of offers. In contrast, as explained in the Specification at page 19, in one embodiment a server may employ a genetic program to generate offers that are maximized (e.g., to pick the “best” action for the system) based on various types of considerations.

We respectfully request that the Examiner withdraw the Section 102 rejection of independent Claims 1, 6, 7, and dependent Claims 2, 3, and 9-14.

2. Claim 2

The Examiner asserts that Katz teaches determining an offer based on order price. However, we were unable to identify anywhere in Katz where the system determines an order price based on order information and determines an offer based on the order price, as generally recited in Claim 2. Although Katz describes generally using information about prior purchases, the examples provided appear to focus exclusively on what was purchased, and do not hint at how information about the purchase price of the prior purchase may be useful in determining an offer to a customer. We respectfully submit that Katz does not teach or suggest all of the features of Claim 2, and request withdrawal of the Section 102(b) rejection of Claim 2.

F. SECTION 103(A) REJECTIONS

Claims 3, 9, 10, and 11 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Katz, and further in view of Heads I win (“Heads I win, tails you lose,” *The Economist*, June 13, 1992, p. 74). We respectfully traverse the Examiner’s Section 103(a) rejection.

The Examiner asserts:

It would have been obvious to one of ordinary skill in the art to provide an offer based on the difference amount in Katz upsell offer for those who would rather take a chance to get more money or lose the small change, as taught in Rossides.

[Office Action, page 7].

Heads I win describes an approach to a very specific problem that is irrelevant to the Katz system: “small change is a pain” and there is a need to eliminate change. By “change,” Heads I win clearly is referring to currency only in the form of physical change or coins, as is evident from the description of the problem of shoppers at a supermarket digging through their purses for change or “fumbling for change.”

The Katz system does not and cannot suffer from any issues with change—it is expressly limited to a system for “remote commerce.” See Abstract; Field of the Invention; Column 3, lines 16-19 (describing how prior art systems do not “serve to provide remote commerce”). Based on our understanding of the Katz system, there is no opportunity for the problem of customers having to either provide or receive physical change or coins when engaging in “remote commerce” with telemarketers. Any modification of the Katz system to provide for the “benign form of gambling” described in Heads I win would add unnecessary complexity because the problem does not and could not exist in the Katz system.

Also, even if Heads I win generally describes circumstances in which a purchase price might be rounded up or down, this does not suggest how *an offer* could be determined based on either a round-up amount (Claim 3) or a difference between a transaction total and a next-highest dollar amount (Claims 10 and 11). Nor does Heads I win describe calculating a difference between a transaction total and a next-highest dollar amount greater than the transaction total. It simply describes (in some circumstances) the customer paying the next-highest dollar amount—the actual difference is not calculated. Nothing in Katz or Heads I win suggests that selection of an offer has anything to do with a price of an order, a round-up amount, or a next-highest dollar amount greater than a transaction total.

We respectfully submit that there is no motivation supported by the record to combine the indicated teachings of Katz and Heads I win. Further, the proposed combination(s) would not provide for all of the features of any pending claim. Accordingly, we request reconsideration of the obviousness rejections of Claims 3, 9, 10, and 11.

G. ADDITIONAL COMMENTS

Our silence with respect to the Examiner’s other various assertions not explicitly addressed in this paper, including assertions of what the cited reference(s) teach or suggest, or the Examiner’s interpretation of claimed subject matter, is not to be understood as agreement with the Examiner. As the Examiner has not established an un rebuttable prima facie case of anticipation or obviousness for any of the pending claims, for the reasons stated in this paper, we need not address the Examiner’s other assertions at this time.

H. NEWLY-ADDED CLAIMS 15-26 ARE PATENTABLE OVER THE CITED REFERENCES

Newly-added Claims 15-26 are patentable over Katz and Heads I win for at least the reasons presented herein. Each of the new claims depends from independent Claim 1, discussed above.

In addition, the cited references, alone or in combination, are devoid of any hint of generating a plurality of genetic programs, modifying a genetic program, determining a fitness of a genetic program, replicating a genetic program, mutating a genetic program, or determining a respective score for each of a plurality of available offers.

For at least the reasons stated herein, we respectfully submit that new Claims 15-25 are allowable.

I. PETITION FOR EXTENSION OF TIME TO RESPOND & AUTHORIZATION TO CHARGE APPROPRIATE FEES

We understand that a five-month extension of time to respond to the Office Action is necessary. Please grant a petition for any extension of time required to make this Response timely.

Charge: \$2160.00

Deposit Account: 50-0271

Order No.: 00-106

Please charge any appropriate fees set forth in §§ 1.16 – 1.18 for this paper and for any accompanying papers to Deposit Account 50-0271. Please credit any overpayment to the same account.

J. CONCLUSION

It is submitted that all of the claims are in condition for allowance. The Examiner's early re-examination and reconsideration are respectfully requested.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at mdowns@walkerdigital.com.

Respectfully submitted,

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Date

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